

COMMITTEE STATEMENT

LB 1234

HEARING DATE: February 2, 2000

COMMITTEE ON: Natural Resources

TITLE: (Schrock, Aguilar, Baker, Beutler, Bohlke, Bourne, Bromm, Bruning, Byars, Connealy, Coordsen, Cudaback, Dickey, Hartnett, Hudkins, Janssen, Jensen, Jones, Kiel, Kremer, Kristensen, Lynch, D. Pederson, Preister, Price, Robak, Schimek, Schmitt, Stuhr, Thompson, Tyson, Vrtiska, Wehrbein, Wickersham) Establish a renewable fuel content standard for gasoline sold in Nebraska

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

7	Yes	Senators Bromm, Bruning, Hudkins, Kremer, Preister, Schrock, Stuhr
0	No	
1	Present, not voting	Jones
0	Absent	

PROPOSERS	REPRESENTING
Senator Ed Schrock	Introducer
Jim Girard	Minnesota Corn Processors
Chuck Dehart	Nebraska Energy LLC
Tom Kell	Nebraska Energy LLC
Steve Nelson	Nebraska Farm Bureau Federation
Sam Scarpello	Omaha Federation of Labor; Nebraska State Electrical Council; Omaha Building and Construction; State Utility Workers
Doris Ourecky	WIFE
Andy Jensen	Nebraska Corn Growers Association
John Hansen	Nebraska Farmers Union
Pat Knapp	Nebraska Citizen Action; Nebraska Sierra Club
Danny Allison	High Plains Corp.; York County Development Corp.
Conrad Grothen	American Corn Growers Association
Doug Nagel	Nebraska Grain Sorghum Producers Association
Loran Schmit	Ag Processing, Inc.; Nebraska Wheat Growers
Todd Sneller	Nebraska Ethanol Board
Keith Volker	Country Energy LLC

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Ed Woepfel

Nebraska Cooperative Council

OPPONENTS

REPRESENTING

Roy Murabito

Eastern Nebraska/Western Iowa Car Council

Joe Rayburn

Self

Bernard Raiter

Sapp Brothers Petroleum, Inc.

Dick Brewster

BP Amoco

Vincent Brown

American Petroleum Institute

Richard Halvorsen

Self

NEUTRAL

REPRESENTING

Greg Ruehle

Nebraska Cattlemen

Steve Malone

Weights and Measures Division, Nebraska
Department of Agriculture

SUMMARY OF PURPOSE AND/OR CHANGES:

Section 1: (1) Sets the standards for renewable fuel content in gasoline: beginning on January 1, 2000, the standard is 2% by weight; January 1, 2002, 2.7% by weight; and January 3, 2003, 3.5% by weight.

(2) and (3) Exemptions: Historical vehicles; gasoline dispensed into cans with a capacity of 6 gallons or less; unleaded premium grade; premium grade fuel containing 91 or more octane; no more than one storage tank for exempted gasoline; and gasoline used in aircraft.

Requires a notice on the pump stating that the gasoline is a nonrenewable fuel for use in historical vehicles, off-road vehicles, motorcycles, boats, snowmobiles, or small engines only.

(4) Requires the Department of Environmental Quality to monitor wholesale terminal prices and retail prices, and adjust the renewable fuel content if necessary to reduce the wholesale price differential.

(5) Requires the Attorney General to enforce the law and allows the Attorney General to do everything he or she is empowered to do. The administrative fine for the violation of the act is \$5,000 for each activity or each day.

(6) Requires the Department of Environmental Quality to report on this bill to the Legislature each year by December 1.

Section 2: Operative date of January 1, 2001.

Section 3: Repealer.

EXPLANATION OF AMENDMENTS, IF ANY:

The Committee amendment strikes the original sections of LB 1234 and becomes the bill.

Section 1: Requires that all gasoline sold in Nebraska on January 1, 2001 contain a renewable fuel content equal to or greater than three and one-half percent weight oxygen. It exempts two types of gasoline from the requirement, premium grade fuel containing 91 or more octane and gasoline used for aircraft.

Section 2: Requires the Department of Revenue to monitor wholesale terminal prices so that if the wholesale price of blended renewable fuel is more than the wholesale price of premium grade fuel, the Department shall cause the renewable fuel content to be adjusted to reduce the wholesale price differential.

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Section 3: Requires the Attorney General to enforce the act by whatever lawful means available to him and allows the imposition of a fine of not more than \$1,000.00 per day per violation.

Section 4: Requires the Department of Revenue to issue a report to the Legislature by December 1 of each year on this program.

Section 5: Operative date of the act is January 1, 2001.

Senator Ed Schrock, Chairperson